

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON
PORTLAND DIVISION

KELLY CAHILL, et al.,)	
individually and on behalf of)	
of others similarly situated,)	
)	
Plaintiffs,)	
)	
vs.)	No. 3:18cv-01477-JR
)	
NIKE, INC., an Oregon)	
corporation,)	
)	
Defendant.)	

VIDEOCONFERENCE DEPOSITION
OF
SHANE WALKER
VOLUME I

DATE TAKEN: December 17, 2020
TIME: 9:30 a.m.
PLACE: Virtual

1 APPEARANCES
2 FOR THE PLAINTIFFS: MR. BARRY GOLDSTEIN
3 MR. BYRON GOLDSTEIN
4 MR. JAMES KAN
5 MR. MENGFEI SUN
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17 25th Floor
18 Los Angeles, CA 90071

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1 BY MR. BARRY GOLDSTEIN:

2 Q. Do you understand the term validation?

3 A. Can you define that, please?

4 Q. Are you familiar with the guidelines of
5 employee selection procedures?

6 A. I am not. Can you define that, as well?

7 Q. I'll show you a copy and ask you if you've ever
8 seen it.

9 Can you see the --

10 A. Okay. I have the document up.

11 Q. Have you ever seen this document before, sir?

12 A. No.

13 (Deposition Exhibit No. 506 was marked for
14 identification.)

15 BY MR. BARRY GOLDSTEIN:

16 Q. So you wouldn't be able to testify as to
17 whether or not these requirements have been validated in
18 accordance with the requirements set forth in the uniform
19 guidelines which I've just had marked as Exhibit 506.

20 A. I would --

21 MS. DAVIS: The question is vague and
22 ambiguous, and it assumes that the guidelines apply to
23 the compensation programs that Mr. Walker is here to
24 testify about, calls for a legal or expert opinion.

25 Go ahead. Sorry, Mr. Walker.

1 Q. Do you have it, Mr. Walker?

2 A. I'm downloading it now. Okay. I have the
3 document up.

4 Q. Would you know who prepared this document?

5 A. No, I do not.

6 Q. Can you turn to slide 11, please.

7 A. Okay.

8 Q. These are the pipelines that I was referring to
9 earlier.

10 Does this refresh your recollection that Nike
11 has 20 pipelines?

12 A. At one point in time, yes, we would have had 20
13 pipelines. I would also refer to this as job function.

14 Q. So pipelines and functions are interchangeable?

15 A. Pipeline and function I would not say are
16 interchangeable, but pipeline and job function are
17 interchangeable.

18 Q. So we could say that -- I see one of the
19 pipelines here is human resources, and you would be in
20 the human resources pipeline; is that correct?

21 A. Yes.

22 Q. And you would also call that, you'd be in the
23 human resources job function?

24 A. Yes.

25 Q. If you could turn to slide 20.

1 determine job levels in leveling criteria.

2 Do you see that?

3 A. Yes.

4 Q. Now, when we're talking about levels, we're
5 talking about the 10 levels that -- that are related to
6 the four bands, L through S?

7 A. Yes, more than ten, but, yes. They are the job
8 levels associated with each of the programs.

9 Q. But there are ten, aren't there?

10 A. Yes, there are ten. Sorry.

11 Q. I just want to be sure we're on the same page.

12 MS. DAVIS: I'll object. That misstates the
13 document.

14 MR. BARRY GOLDSTEIN: I'm not referring to the
15 document. I'm referring to whether there were ten levels
16 in the four bands, L through S.

17 BY MR. BARRY GOLDSTEIN:

18 Q. There's leveling criteria. What are the
19 leveling criteria?

20 A. So they describe the level of work for each job
21 level and they cover things like spoken impact,
22 communication influence and knowledge and experience.

23 Q. Are criteria what are used to establish what
24 level a job is placed within?

25 A. There is leveling criteria describes a level of

1 work for each job, and within each job family, there is
2 going to be a full set of levels that are linked to each
3 of the criteria.

4 Q. But these -- the leveling criteria are used to
5 place jobs that are similar with respect to these three
6 criteria within levels?

7 MS. DAVIS: The question is vague and
8 ambiguous.

9 If you understand it, you can answer.

10 THE WITNESS: Again, the leveling criteria
11 describes the level of work that is tied to each job
12 level. It would not describe anything related to the job
13 itself.

14 BY MR. BARRY GOLDSTEIN:

15 Q. I'm confused, because if we just take scope and
16 impact, it describes the scope and impact of the job
17 within Nike, including the degree to which the job
18 identifies solutions to problems, makes autonomous
19 decisions and is responsible for managing talent,
20 performance and pay.

21 Isn't that related to the job?

22 A. So every job at Nike has a job level, so in the
23 way that it relates to the job is the level of work.

24 Q. Okay. And in using these leveling criteria, is
25 it fair to say that the level of work is comparable for

1 all the jobs that are in a particular level?

2 A. So it is the guidance we provide, so it's the
3 framework we use, so each job within a certain level
4 would have generally the same level of responsibility
5 across those criteria.

6 Q. When you say it is the guidance we provide, is
7 that -- are you referring to the compensation team?

8 A. Yes.

9 Q. And you're providing that guidance to other
10 parts of HR?

11 A. So we provide it to our HR business-facing
12 roles as well as managers.

13 Q. How were these three leveling criteria
14 developed?

15 A. Similar to the document we looked at earlier
16 that had criteria listed around where we talked about the
17 requirements, we look at the market to help us define
18 what is -- what is the job level that we're seeing in the
19 market. They typically have descriptions of what is
20 required for each of those job levels, and then we use
21 that to kind of a baseline for building our criteria for
22 Nike.

23 Q. Turning to Exhibit 507. Has that been
24 downloaded? Could you look at Exhibit 507, please, Mr.
25 Walker?

1 A. No.

2 Q. Now, agreement -- it looks like the first goal,
3 agreement on benchmark jobs and their matches, what does
4 this goal mean?

5 A. So not all of Nike's jobs exist in the market,
6 so we are matching those jobs that had similar job
7 content at Nike and also had similar job content in the
8 market, which would be our survey vendors.

9 And so our intent of this was to agree on the
10 benchmark jobs across the team and make sure that we have
11 matched all the jobs at Nike to the appropriate salary
12 survey jobs.

13 Q. So as I understand it, correct me if I'm wrong,
14 you take some jobs that you refer to as benchmark jobs
15 that are comparable to jobs that are -- generally exist
16 in the market with similar companies; is that correct?

17 A. So we look at job content and we match our jobs
18 at Nike to the jobs that are in the market, and those are
19 what we consider to be our benchmark jobs.

20 Q. When you say job content, what do you mean?

21 A. Generally the nature of work of the job. So a
22 finance job will have very different nature of work than,
23 for example, an HR job or a legal job, so it's the type
24 of work is what we are looking at.

25 And then the second piece is the level of work,

1 which is tied to the criteria.

2 Q. When you say -- are you matching in content or
3 are you thinking of the skills, abilities, knowledge and
4 experiences required for specific jobs?

5 A. No. I mean, not necessarily.

6 So we are -- when we are setting the jobs, we
7 are using the criteria that we just discussed and we're
8 looking at the job content, which I described as type of
9 work. Those two things combined are what get us to the
10 ability to match to a job in the market.

11 For example, we discussed the requirements
12 section that we have, that is not something we would
13 necessarily use when we are benchmarking our jobs to the
14 market.

15 Q. When you say the criteria, you're referring to
16 the three leveling criteria that we just discussed?

17 A. Yes, the three leveling criteria or the other
18 exhibits that had the criteria listed by bands and level.

19 Q. I just want to be sure, the other exhibit, I
20 think, that you're referring to is the Nike VALUES band
21 overview, which was Exhibit No. 505?

22 A. Correct.

23 Q. So you're looking go at the description of the
24 jobs or the content of the jobs in 505 along with the
25 three leveling criteria that we looked at?

1 A. I am using what you just -- 505 and leveling
2 criteria interchangeably. They are both the same thing.

3 Q. Who makes the determination as to which are the
4 benchmark jobs?

5 A. So the compensation team. In this particular
6 case, we had a group working session, and so it was a
7 collective, I would call it, consensus decision-making to
8 get to those benchmark jobs.

9 Q. The second goal is agreement on senior manager
10 level and cleanup of job codes/families.

11 What is senior manager level?

12 A. So that is a level that we see in the markets,
13 but we do not currently have at Nike.

14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]

1 A. Yes.

2 Q. -- Exhibit 505?

3 A. Yes. And we have gone through a transition to
4 talking about those in different terms over the past
5 several years.

6 Q. And what do you mean you've gone through
7 talking about it in different terms?

8 A. So I'm referring to slide 26 in Exhibit 500, we
9 talk about it in terms of scope and impact, communication
10 and influence and knowledge and experience, whereas on
11 the leveling guides, there were more granular views of
12 what each, I guess, bucket of criteria would be. So
13 essentially what we've been trying to do is simplify the
14 way we talk about that criteria.

15 Q. Thank you for the clarification. Let me just
16 be sure that I understand it.

17 You indicated that the three leveling criteria
18 were the same as the more granular descriptions that were
19 on Exhibit 505 presented in a more simplified form; is
20 that accurate?

21 MS. DAVIS: Misstates the testimony that
22 they're the same.

23 Go ahead.

24 THE WITNESS: Yes, I was just going to say they
25 are not exactly the same, but they serve the same

1 (Deposition Exhibit No. 515 was marked for
2 identification.)

3 BY MR. BARRY GOLDSTEIN:

4 Q. We've downloaded another PowerPoint. This is
5 Exhibit 515, fiscal year '20 Total Rewards Updates. It
6 has a date of May 24, 2019.

7 What does Total Rewards refer to?

8 A. So at Nike Total Rewards are our pay and
9 benefit programs.

10 Q. And that would -- Total Rewards would fall
11 under the responsibility of the compensation team?

12 A. The pay side of that would fall under the
13 compensation team. We have a separate team responsible
14 for benefits.

15 Q. Are stock awards part of benefits or part of
16 pay?

17 A. So annual stock awards and discretionary stock
18 awards are considered part of pay. Employee stock
19 purchase plans would be considered a benefit. And some
20 of this information is also in Exhibit 500, on slides 10
21 through, I believe, 20. 10 through 20 has the definition
22 of what Total Rewards are at Nike.

23 Q. If you turn to -- do you know who prepared --
24 is this a training presentation, this PowerPoint?

25 A. So I felt like there were two questions in

1 there. I don't know who prepared this document.

2 And from just looking over the content of it,
3 yes, it does look like a training document of some kind.

4 Q. Would it be prepared by the compensation team,
5 someone on the compensation team?

6 A. It's possible. What I can see in here is that
7 there are slides that were pulled from Exhibit 500, which
8 is our Nike training, so there likely was some
9 involvement from the compensation team. My guess would
10 be it was a combination of compensation and talent
11 acquisition in partnership.

12 Q. I did notice that somebody was stealing your
13 work.

14 A. It should be all over now.

15 Q. The first bullet point: We recognize that it's
16 helpful to have guidelines to follow when making pay
17 decisions.

18 Does that apply for pay decisions at Nike that
19 there are guidelines for managers and executives to
20 follow in making pay decisions?

21 A. I'm sorry. What part are you referencing?

22 Q. 6 in the notes.

23 A. Got it.

24 Can you please repeat the question?

25 Q. The bullet point says: We also recognize that

1 efficient way of managing pay across the company.

2 With market zones, we had approximately 100,000
3 market zones that we were having to manage within the
4 compensation team and as a company. And managers, also,
5 managers, HR, talent acquisition were also having to
6 refer to each of those data points to make pay decisions
7 when they were in various processes. And so we moved to
8 pay ranges, which just simplified the way that we managed
9 pay for employees.

10 Q. And you devised the pay ranges with the
11 benchmarking and market assessment that we've discussed?

12 A. Yes.

13 Q. If you turn to slide 5.

14 A. Okay.

15 Q. What does this slide indicate?

16 A. So the documents essentially shows how our pay
17 structures are spread out across each of the job levels
18 and bands at Nike, so if you're looking at the rows,
19 those are tied to each of the job levels. And then the
20 columns under the pay range represent essentially what
21 turns into a pay grade and the pay range tied to that.

22 If you're looking at the entry level, there are
23 five pay grades within --

24 Q. Excuse me. Let's look at this --

25 MS. DAVIS: Can you just -- can you just let

1 things consistent in terms of what our pay structures
2 might show up in the U.S. are versus another location, or
3 if they show up in a similar way from one job function
4 versus another job function. We wouldn't want to build
5 pay ranges, for example, that are drastically different
6 for one of our job functions in pipeline versus another,
7 so we do aim to be consistent in our approach in how we
8 do pay ranges.

9 BY MR. GOLDSTEIN:

10 Q. Focusing on Nike World Headquarters, is there a
11 goal to have a consistent compensation practices at Nike
12 World Headquarters?

13 MS. DAVIS: Objection, vague and ambiguous.

14 Go ahead.

15 THE WITNESS: We provide the frameworks for our
16 managers to use, and so we do aim to provide consistent
17 frameworks and guidelines for our managers, but how those
18 are applied by our managers, anyone that's involved in a
19 pay decision, will be different.

20 (Deposition Exhibit No. 517 was marked for
21 identification.)

22 BY MR. BARRY GOLDSTEIN:

23 Q. Again, as we move on with this deposition,
24 we'll talk about the role of E7+ in the pay decisions.
25 I'm not following up on the questions of managers and

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3 CERTIFICATE
45 STATE OF OREGON)
67) ss
89 COUNTY OF MULTNOMAH)
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I, Teresa L. Rider, CRR, RPR, CCR, CSR, hereby
certify that said witness appeared before me via Zoom at
the time and place set forth in the caption hereof; that
at said time and place I reported in stenotype all
testimony adduced and other oral proceedings had in the
forgoing matter; that thereafter my notes were
transcribed through computer-aided transcription, under
my direction; and that the foregoing pages constitute a
full, true and accurate record of all such testimony
adduced and oral proceedings had, and the whole thereof.

I further certify review of the transcript was
not requested

Witness my hand at Portland, Oregon, this 27th
day of December 2020.



Teresa L. Rider

Teresa L. Rider
Oregon CSR No. 12-0421
Washington CCR No. 2119
Expires 12-03-23

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SHANE WALKER
VOLUME II

DATE TAKEN: December 18, 2020
TIME: 9:30 a.m.
PLACE: Virtual

COURT REPORTER: Teresa L. Rider, CRR, RPR, CCR, CSR

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1 validation?

2 A. In this particular setting, no. I think there
3 are many ways that validation can occur within
4 compensation, so I'm having a hard time understanding
5 what specifically this is relating to.

6 Q. Now, the definition that we would use for
7 validation would be the one that's provided in the
8 Uniform Guidelines.

9 And could you look at Exhibit 506?

10 A. Okay. I have 506 open.

11 Q. Okay. And I'm going to read the definition of
12 validation, which is at Section 1607.16X. It's near the
13 back of the document, sir.

14 A. I just have to get there.

15 Okay. I am at that section.

16 Q. And the definition is: Validated in accord
17 with these guidelines or properly validated. Validated.
18 A demonstration that one or more validity study or
19 studies meeting the standards of these guidelines has
20 been conducted, including investigation and, where
21 appropriate, use of suitable alternative selection
22 practices as contemplated by Section 3B, and has produced
23 evidence of validity sufficient to warrant use of the
24 procedure for the intended purpose under the standards of
25 these guidelines.

1 Do you see that?

2 A. I do.

3 MS. DAVIS: I'll just object. I'll object.
4 You misread one word. It said selection procedures.

5 MR. BARRY GOLDSTEIN: I copied it wrong. Where
6 is that, Felicia?

7 MS. DAVIS: I'm just reading the paragraph, but
8 you didn't read it accurately.

9 MR. BARRY GOLDSTEIN: Suitable alternative
10 selection procedures is what I said.

11 MS. DAVIS: You said suitable alternative
12 selection practices.

13 MR. BARRY GOLDSTEIN: Oh, okay. I should have
14 said procedures. Is that correct, Felicia?

15 MS. DAVIS: Yes. That's what the document
16 says, yes.

17 MR. BARRY GOLDSTEIN: Okay. Thank you.

18 BY MR. BARRY GOLDSTEIN:

19 Q. Mr. Walker, does that help you understand what
20 validation means?

21 A. Generally, yes.

22 Q. Have you ever seen validation evidence or study
23 at Nike?

24 A. I have not.

25 Q. I'm going to read you one other definition of

1 If you want to use terminology --

2 MR. BARRY GOLDSTEIN: I just asked him a
3 question, Felicia. I just asked him a question.

4 MS. DAVIS: It misstates his testimony.

5 MR. BARRY GOLDSTEIN: I was asking him a
6 question.

7 BY MR. BARRY GOLDSTEIN:

8 Q. Are you qualified to testify about Topic No.
9 24, Mr. Walker?

10 A. Can you define what you mean by qualified to
11 testify on this topic?

12 Q. Can you tell me what Nike understands the term
13 validation to mean?

14 A. I cannot.

15 MS. DAVIS: Let's take a break.

16 MR. BARRY GOLDSTEIN: Okay. Ten minutes?

17 MS. DAVIS: That works.

18 (Off the record.)

19 BY MR. BARRY GOLDSTEIN:

20 Q. Mr. Walker, I want to turn you to Topic 27.
21 Again, you can look at Topic 27 on Exhibit 502.

22 A. Okay.

23 Q. Topic 27 is Nike's use of job analyses in
24 establishing, modifying or implementing compensation,
25 policies or practices or establishing job codes, job

1 levels, bands, subfamilies, families or functions, 2016
2 to the present.

3 Do you know of any use by Nike of job analyses
4 for the purposes listed in this topic?

5 A. I am not aware that has occurred.

6 Q. Turning to Topic 25. I'll read it: Compliance
7 with the Uniform Guidelines with respect to compensation,
8 policies or practices, as Nike understands that term and
9 to the extent it applies to compensation, policies or
10 practice, 2016 to the present.

11 You've already testified that you haven't seen
12 -- didn't see the Uniform Guidelines or you never
13 reviewed the Uniform Guidelines prior to this deposition,
14 but I want to focus my question on as Nike understands
15 this term.

16 Do you know how Nike understands the term
17 compliance with the Uniform Guidelines?

18 A. I do not.

19 Q. Mr. Walker, I want to turn your attention back
20 to Exhibit 522, which is the Annual Pay Review Deep Dive
21 Total Rewards, March 12, 2019.

22 A. Okay. I have it opened.

23 Q. I have to bring it up on my screen.

24 Did this presentation occur on March 12, 2019?

25 A. Yes, I believe so.

1 A. Bernard Bedon, I think is how you say his last
2 name.

3 (Deposition Exhibit No. 524 was marked for
4 identification.)

5 BY MR. BARRY GOLDSTEIN:

6 Q. If we could return to Exhibit 524.

7 A. Okay. I have the document open.

8 Q. And again, if we could look at slide 15. I'm
9 sorry. I meant Exhibit 522.

10 A. Okay. Give me just a second. Okay. I have
11 that one open.

12 Q. There's some overlap with the roles and
13 responsibilities that we discussed in the other
14 presentation that you did that was Exhibit 521, but I
15 think there's one or two additional ones for the HRBP:
16 Utilize reporting to ensure pay recommendations and
17 outcomes align with talent perspectives. I think that
18 was listed with TRC in the prior presentation.

19 What is referenced by utilizing reporting to
20 ensure pay recommendations and outcomes align with talent
21 perspectives?

22 A. Yeah. Counsel just clarified something you
23 just said. This document, 521, is from March -- 522 is
24 from March. 521 is from May. They were intended to
25 serve the same purpose, and so we keep jumping around

1 back and forth between the two, but we're referring to
2 older language in this particular document.

3 Q. Okay. In this document, is it a role, a
4 current role of HRBP to utilize reporting to ensure pay
5 recommendations and outcomes align with talent
6 perspectives?

7 A. It is something that we do expect our HRBP and
8 TRCs to be looking at.

9 Q. What's the reporting that is referenced?

10 A. So the reporting in dashboards -- dashboard
11 tiles that are available in SuccessFactors.

12 Q. And what specific tiles?

13 A. Not necessarily one single tile.

14 Q. Would those be the tiles that reflected
15 performance evaluations, such as CFE and talent
16 segmentation?

17 A. Generally, they're going to have to be a
18 combination of the data that's available through the
19 dashboard to be able to make some of these assessments.
20 There's not one self-service view that's going to tell
21 them an answer on how that looks.

22 Q. Would they be looking at the tile that
23 reflected CFE ratings?

24 A. They may. Each TRC goes about that process or
25 each HRBP goes about that process in a different way.

1 MS. DAVIS: I'll just object, briefly, that it
2 calls for a legal opinion and Mr. Walker is not an
3 attorney, but he can testify about his understanding.

4 Go ahead.

5 THE WITNESS: Yes, so my understanding is in
6 this first year, it was -- it was protected, because
7 there are now two separate bodies of work that we do, the
8 below minimum piece is not protected.

9 BY MR. BARRY GOLDSTEIN:

10 Q. Now, in the below minimum piece, it's not a
11 merit increase, but it would be an increase in salary
12 that would result; is that correct?

13 A. Yes, we would make a pay adjustment for an
14 employee.

15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]

20 Q. If you determined that somebody wasn't being
21 paid equitably, was there any payment of back wages for
22 the period of time when the person was not being paid
23 equitably?

24 MS. DAVIS: I'll object and instruct you not to
25 answer. This is getting into our attorney work product

1 and he's not going to answer questions about it.

2 BY MR. BARRY GOLDSTEIN:

3 Q. In the first year, what were the documents that
4 were created for active pay management? I guess you said
5 it was spreadsheets. Is there anything created other
6 than spreadsheets?

7 MS. DAVIS: I'm going to object and instruct
8 you not to answer on the grounds it invades the
9 attorney-client privilege and goes into attorney work
10 product, what other documents were prepared.

11 MR. BARRY GOLDSTEIN: I'm not asking about
12 content. I'm just asking if there were documents that
13 were prepared.

14 MS. DAVIS: I'm going to instruct you not to
15 answer at this point. If we take a break, he and I can
16 chat and I can decide if I'll change my objection.

17 MR. BARRY GOLDSTEIN: That's fair enough.

18 MR. BYRON GOLDSTEIN: Do you want to take a
19 break?

20 MS. DAVIS: We can take it now or we can do it
21 later.

22 MR. BARRY GOLDSTEIN: We can continue. And
23 there may be more things for you to consult with,
24 Felicia.

25 MS. DAVIS: That would be more efficient, then.

1 CERTIFICATE

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3 STATE OF OREGON)
4) ss
5 COUNTY OF MULTNOMAH)
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9 I, Teresa L. Rider, CRR, RPR, CCR, CSR, hereby
10 certify that said witness appeared before me via Zoom at
11 the time and place set forth in the caption hereof; that
12 at said time and place I reported in stenotype all
13 testimony adduced and other oral proceedings had in the
14 forgoing matter; that thereafter my notes were
15 transcribed through computer-aided transcription, under
16 my direction; and that the foregoing pages constitute a
17 full, true and accurate record of all such testimony
18 adduced and oral proceedings had, and the whole thereof.

19 I further certify review of the transcript was
20 not requested.

21 Witness my hand at Portland, Oregon, this 29th
22 day of December 2020.
23
24
25



Teresa L. Rider
Teresa L. Rider
Oregon CSR No. 12-0421
Washington CCR No. 2119
Expires 12-03-23

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17 Also Present: Ms. Cassie English

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1 as outside the scope of the topics under which Mr. Walker
2 has been designated to testify. He's not here to talk
3 about hiring.

4 BY MR. BARRY GOLDSTEIN:

5 Q. Would these consistent guidelines apply to the
6 policy for setting starting pay?

7 MS. DAVIS: Objection. Vague and ambiguous.
8 If you understand, you can answer.

9 THE WITNESS: I don't know what is being
10 referred to, but we do have guidelines that are provided
11 to our managers on the acquisition team around
12 positioning people in the pay range when they join it.
13 BY MR. BARRY GOLDSTEIN:

14 Q. Do those consistent guidelines apply to the
15 setting of starting pay from 2015 to the present?

16 A. We put the guidelines in place in 2018.

17 Q. When you refer to the guidelines in place in
18 2018, which guidelines are you referring to, sir?

19 A. The position of range guidance that we've
20 discussed prior.

21 Q. Prior to putting in -- prior to implementing
22 the position and range guidelines in 2018, were there
23 guidelines for hiring managers and talent acquisition
24 with respect to setting starting pay before 2018?

25 A. Yes, there were guidelines.

1 Q. What were those guidelines, sir?

2 A. I don't know specifically.

3 Q. How would those guidelines have been
4 communicated to the talent acquisition and hiring
5 managers?

6 A. Again, I don't know.

7 Q. Who would have been responsible for setting the
8 guidelines for setting starting pay prior to 2018 that
9 were communicated to talent acquisition and hiring
10 managers?

11 A. I can't say for a fact. I don't know.

12 MR. BARRY GOLDSTEIN: Felicia, I assume that
13 when you designate somebody for setting starting pay that
14 there will be somebody prepared to answer these
15 questions.

16 BY MR. BARRY GOLDSTEIN:

17 Q. Mr. Walker, I'm showing you a document that is
18 Exhibit No. 540, Candidate Summary. It's a phone screen
19 date, I believe, of December 2014 for Heather Hender.

20 (Deposition Exhibit No. 540 was marked for
21 identification.)

22 BY MR. BARRY GOLDSTEIN:

23 Q. Do you see this document, Candidate Summary for
24 Ms. Heather Hender?

25 A. I do, yes.

1 Q. So as I understand your testimony, you do have
2 lump sum merit or core pay increases today; is that
3 correct?

4 A. Yes.

5 Q. And how are those lump sum awards calculated?

6 A. Today?

7 Q. Yes, sir.

8 A. So it is calculated as a percentage of the
9 employee's base pay, and it would be calculated as the
10 percentage above the maximum of the pay range.

11 Q. Now, during this time period from 2015 until
12 the change to core awards in 2019, would merit awards be
13 calculated on the basis of a percentage increase to base
14 salary?

15 A. The award an employee would have received would
16 have been based on a percentage of base pay, yes.

17 Q. Turning to the second bullet: Performance
18 appraisal must be done before an award is processed.

19 Is that accurate in 2015 and is it accurate
20 from 2015 to the present?

21 A. It was accurate in 2015. In order to have
22 guidelines appear for pay, you have to have a CFE rating.
23 There's no rating your guidelines don't appear. So in
24 that sense, in terms of exactly what happened with the
25 CFE performance appraisal, I can't speak to that, and

1 A. Yes.

2 Q. And what does internal equity range refer to?

3 A. So internal equity is pay relative to peers,
4 and that can look many different ways for an individual
5 team or manager. In 2015, this would have referred --
6 one data point in that would have been the internal pay
7 range.

8 Q. And I believe you testified about that on
9 Friday, is that correct, you referred to those external
10 pay range and an internal pay range?

11 A. Yes, I did testify to that. I don't know what
12 day it was on, but, yes, we did cover that.

13 Q. Let's move up to the directions that are under
14 the category, how it works. There's the statement:
15 Performance rating guidelines used for merit awards vary
16 from year to year and country to country.

17 Are there performance rating guidelines for
18 establishing merit awards?

19 A. So from 2015 to 2018, yes. The way we
20 established merit rating guidelines was using performance
21 rating. There was a minimum and maximum percentage for
22 each rating, and then managers used discretion to
23 determine what increase the employee would receive,
24 whether that was within or outside of the guideline
25 depended on each manager.

1 guidelines, I think you said the guidelines would provide
2 a percentage range for potential increases for merit pay
3 increase; is that correct?

4 A. Yes, each performance rating would have had a
5 range for the guideline.

6 Q. Would it be a higher range for highly
7 successful as opposed to, for example, successful rating?

8 A. The possibility for a larger increase would
9 have been reflected in the guidelines, yes. I don't know
10 what specifically is meant by higher guideline. The
11 range spread would have been the same and there would
12 likely have been some overlap between ratings.

13 Q. When you say overlap between ratings, what do
14 you mean by that, sir?

15 A. So for example, for a successful -- an employee
16 rated successful, the guideline would have potentially
17 shown this up, but 3 to 5 percent. I'm making this up --

18 Q. Excuse me. I'm sorry. I just missed what you
19 said. What was the example you're giving? And I
20 understand you don't know exactly what the guidelines
21 were and you're giving an example, and that's helpful, so
22 please go ahead, sir.

23 A. So for an employee rated successful, the
24 guideline that would have shown could have been 3 percent
25 to 5 percent. For an employee that was highly

1 successful, the guideline could have shown 4 percent to 6
2 percent. And for someone whose rated exceptional, the
3 guideline could have shown 5 percent to 7 percent.

4 Q. And, again, this is a hypothetical that you're
5 giving. You don't know exactly what the guidelines
6 showed for each of the years from 2015 to 2018, do you?

7 A. I do not.

8 Q. Now, also turning to Exhibit 541 and under How
9 It Works, could you read the first sentence under the
10 title How It Works?

11 A. The first sentence says: Merit awards
12 recognize the annual coaching for excellence, CFE,
13 assessment of results achieved, the budget available and
14 other relevant factors such as market data and internal
15 equity.

16 Q. How does budget availability impact merit
17 increases during the period from 2015 until the core pay
18 increases implemented in 2019?

19 A. So budgets are established at the country
20 level, so we use market data from our survey vendors
21 along with information about our range movement or our
22 pay range movement to determine what is the appropriate
23 budget for each country, and then that budget is applied
24 to each individual employees pay. It is summed together
25 and for each manager, and that is the budget that they

1 expanded definition of market pricing that I want to ask
2 you about.

3 A. Okay.

4 Q. And I'll read it into the record this time:
5 Market pricing is the process of determining the market
6 rates for representative sample of jobs in a specific
7 talent market, based on data for jobs with similar
8 functions and comparable scope of responsibility.

9 Do you see that, sir?

10 A. Yes.

11 Q. Do you agree with that definition of market
12 pricing, as well?

13 A. Yes.

14 Q. Is the data referred to in this definition the
15 data that is supplied through the survey companies?

16 A. Yes.

17 Q. And is jobs with similar functions and
18 comparable scope of responsibility, would that be --
19 those jobs be determined in the same way that you've
20 described job content being determined when we discussed
21 the last exhibit?

22 A. Yes. Where it says similar functions and
23 comparable scope of responsibility, I would define that
24 as type of work and level of work.

25 Q. So the job levels within the value bands would

1 be the scope of responsibility?

2 A. It's one factor in determining a job level,
3 yes.

4 Q. And similar functions, that would be the job
5 functions, job families, job subfamilies?

6 A. Yes.

7 Q. Turn to slide 12, please.

8 A. Which slide?

9 Q. 12.

10 A. Okay.

11 Q. Now, on the left-hand part of this slide,
12 there's V - S. I'm assuming that is referring to the
13 values bands?

14 A. Yes.

15 Q. And remind me again what CLT refers to?

16 A. CLT is defined as the corporate leadership
17 team, and that would be E7+ bands.

18 Q. Now, under V - S, it says: CompAnalyst uses a
19 regression line to market competitions to determine the
20 number of job grades.

21 Job grades, does that refer to pay grades?

22 MS. DAVIS: The document actually says market
23 composites.

24 BY MR. BARRY GOLDSTEIN:

25 Q. Market composites. Let me see if I can get it

1 CERTIFICATE

2
3 STATE OF OREGON)
4) ss
5 COUNTY OF MULTNOMAH)
6
7
8

9 I, Teresa L. Rider, CRR, RPR, CCR, CSR, hereby
10 certify that said witness appeared before me via Zoom at
11 the time and place set forth in the caption hereof; that
12 at said time and place I reported in stenotype all
13 testimony adduced and other oral proceedings had in the
14 forgoing matter; that thereafter my notes were
15 transcribed through computer-aided transcription, under
16 my direction; and that the foregoing pages constitute a
17 full, true and accurate record of all such testimony
18 adduced and oral proceedings had, and the whole thereof.

19 I further certify review of the transcript was
20 not requested.

21 Witness my hand at Portland, Oregon, this 29th
22 day of December 2020.
23
24
25

Teresa L. Rider
Oregon CSR No. 12-0421
Washington CCR No. 2119
Expires 12-03-23